MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2019/2020

BBL2824 – BUSINESS LAW

(All sections/ Groups)

29 February 2020
02:30 p.m. – 04:30 p.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of 3 pages with 4 Questions only.

2. Answer **ALL** questions by referring to the relevant statutory provisions and cases as necessary. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

QUESTION 1 (25 MARKS)

(a) A proposal can be made in any form and it will be valid until a certain period of time. State the circumstances in which a proposal may be terminated with reference to the Contracts Act 1950 and decided cases.

(15 Marks)

(b) Nicole Flieg advertised in the Newspaper a 2005 model Honda car for sale. Sofia sent the following fax to Nicole Flieg: "Interested to buy the Honda car. Quote the lowest price." To this Nicole Flieg replied, "The lowest price that I can offer is RM40,000." Sofia replied, "I agree to buy the car for RM40,000." Nicole Flieg did not care to answer Sofia. After waiting for a few weeks, Sofia goes to Nicole Flieg with the money to buy the car. Nicole Flieg refuses to sell. Examine whether there is an enforceable contract between Nicole Flieg and Sofia.

(10 Marks)

QUESTION 2 (25 MARKS)

Discuss the implied conditions under the Sale of Goods Act 1957 by referring to the relevant statutory provisions and decided cases.

QUESTION 3 (25 MARKS)

(a) Sarah has insured her property against damage by fire for RM150,000. She had failed to inform her insurance company, Company Cool Ltd. (CCL) that the ground floor of the premise was being used to store explosives and/or flammable material. Sarah's property is destroyed in a fire. Advise CCL whether it has to compensate Sarah for her loss by reference to Malaysian Insurance Law. Discuss two cases in your answer.

(15 Marks)

(b) In the context of insurance contracts, explain the following:

(i) Contract of Insurance

(ii) Insurable interest

(10 Marks)

Continued...

QUESTION 4 (25 MARKS)

Pitbull has been running a small business growing vegetables on his farm and selling them at the farm gate and at Sunday markets. In 2017, on the advice of his accountant, Pitbull formed a company called Pitbull's Fresh Vegies Sdn. Bhd. (Fresh Vegies). Pitbull has always bought his seeds and seedlings from Seeds Sdn. Bhd. (Seeds) and was well known to Seeds because of his poor credit record. When Fresh Vegies was formed, Pitbull told Seeds that it was now dealing with the company, but did not make any changes to the way in which he carried on the business. Pitbull owned the farm and the truck used for deliveries; Fresh Vegies do not pay rent or pay wages to Pitbull. The incomes from sales of vegetables and payments to suppliers were paid into and from Pitbull's personal bank account and Fresh Veggies did not lodge any tax returns (nor did Pitbull himself in most years). Seeds eventually sued Fresh Vegies to recover the debt of RM20,000.00 owned by Fresh Vegies and sought leave to add Pitbull as a defendant.

Discuss the possible legal grounds Seeds could rely on to support their claim to have Pitbull added as a defendant and whether Pitbull will be held to be liable.

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